

SUPPLEMENT NO. 28
DI C/C Cabinet 6/02

**REPORT OF THE
NCAA DIVISION I FOOTBALL CERTIFICATION SUBCOMMITTEE**

The NCAA Division I Football Certification Subcommittee submits this report from its April 29-May 1 meeting in San Antonio, Texas.

1. ACTION ITEMS.

a. Postseason Bowl Certification Criteria – Financial Commitments.

- (1) Recommendation. That on an annual basis, the sponsoring agency of a postseason bowl game must generate bowl-based revenue equal to or greater than all the contractual financial commitments from the two participating institutions and conferences.
- (2) Rationale. The NCAA Football Certification Subcommittee unanimously supports a partnership with community-based postseason bowl games. Bowl-based revenue includes revenues generated by the sponsoring agency and does not include financial commitments from institutions and conferences. Accordingly, the subcommittee recommends that, at a minimum, the revenue generated by a sponsoring agency through local ticket sales, title sponsorships, television rights fees and any other revenue earned by the agency must equal the ticket purchase arrangements, contributions or other financial commitments from the participating institutions and conferences.
- (3) Budget Impact. None.

b. Postseason Bowl Certification Criteria – Attendance.

- (1) Recommendation. That a sponsoring agency of a postseason bowl game shall be required to average, over a three-year period, actual attendance of at least 25,000 or 70 percent of stadium capacity.
- (2) Rationale. As a continuing effort to support a partnership with community-based postseason bowl games, the subcommittee will require that a bowl must meet the recommended attendance number as a show of community support for the game.
- (3) Budget Impact. None.

c. Postseason Bowl Certification Criteria – Distribution of Bowl Revenues.

- (1) Recommendation. That the distribution to the two participating teams and conferences be equal in value and the expectation be that the distribution meet, at a minimum, the participating teams' reasonable contractual travel obligations and participation expenses.

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- (2) Rationale. The criteria ensures equal distribution of revenues to the participating teams and addresses the need for the distribution of revenues to provide for at a minimum the participating teams' reasonable travel and participation expenses. It should be noted that the institutions or conference offices would negotiate the distribution of team payouts.

- (3) Budget Impact. None.

d. Postseason Bowl Certification Criteria – Letter of Credit.

- (1) Recommendation. That each certified bowl game that has not distributed an average of \$1 million to each of the teams during the preceding three-year period or did not meet the certification criteria be required to issue an irrevocable \$1.5 million letter of credit.

- (2) Rationale. The letter of credit provides participating teams in postseason bowl games with the assurance that they will receive distributions of revenues agreed upon prior to the game.

- (3) Budget Impact. None.

e. Postseason Bowl Certification Criteria – Failure to Meet Criteria Procedures.

- (1) Recommendation. If a sponsoring agency fails to meet the certification requirements, it shall be placed on probation for one year and, if at the end of the year it has not complied with the requirements the bowl, shall be decertified.

- (2) Rational: The subcommittee believes that sponsoring agency should be provided with at least one year to be in conformance with the certification requirements; therefore, the one-year grace period is proposed.

- (3) Budget Impact. None.

f. Elimination of Specific Bowl Certification Criteria.

- (1) Recommendation. That if the proposed criteria in Action Item No. 1-a through 1-f is approved, then the following criteria be eliminated:

- (a) "The sponsor of a game shall average selling 25,000 tickets or 50 percent of those available for sale in the stadium, or a number of tickets equal in value to the combined contractual obligation of the two participating institutions, over a three-year period unless the subcommittee grants a waiver to meet certification."

- (b) "Institutions competing in bowl games shall receive the greater of 75 percent

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of the gross receipts or \$750,000 each for domestic bowls, or an amount greater than \$750,000 specified in a contract between the bowl and a conference. Institutions participating in a certified international bowl shall receive the greater of 75 percent of the gross receipts or \$1.5 million each."

- (c) "A postseason football contest that has not distributed an average minimum of \$1 million to each participating institution during the preceding three-year period shall secure annually an irrevocable letter of credit guaranteeing the minimum revenues that will be distributed to the participating teams. Any bowl that has not been certified for three consecutive years shall include in the letter of credit an additional 25 percent to cover expenses related to game management, operations and administration. The letter of credit shall be made payable to the NCAA and annually shall cover the period from November 1 until the participating institutions have notified the NCAA that they have received their distribution of gross receipts, or not later than May 1. It shall specify that the Association is responsible for the distribution of revenues to the participating institutions in the event of default. The cost of the letter of credit shall be deducted from the contest's gross receipts."

- (2) Rationale. The subcommittee recommends that these criteria be eliminated due to the fact that a new model with different criteria is being proposed to certify postseason bowl games. The new model will provide the flexibility offered in an open market approach.

- (3) Budget Impact. None.

2. INFORMATIONAL ITEMS.

- a. **2002-03 Postseason Bowl Games.** The subcommittee certified the following 28 postseason bowl games for the 2002-03 bowl season: Alamo Bowl, AXA Liberty Bowl, Capital One/Citrus Bowl, Chick-Fil-A Peach Bowl, Hawaii Bowl, Holiday Bowl, Fed Ex Orange Bowl, Houston Bowl, GMAC Bowl, Humanitarian Bowl, Insight.com Bowl, Las Vegas Bowl, Mainstay Independence Bowl, Motor City Bowl, Music City Bowl, New Orleans Bowl, Nokia Sugar Bowl, Outback Bowl, Queen City Bowl, Rose Bowl, San Francisco Bowl, Silicon Valley Classic, Southwestern Bell Cotton Bowl Classic, Tostitos Fiesta Bowl, Toyota Gator Bowl, Tangerine Bowl, Seattle Bowl, and the Wells Fargo Sun Bowl. (Note: The Hawaii, Queen City and San Francisco Bowls were certified for the first time for the 2002-03 bowl season.)

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- b. **Preseason Exempt Games.** The subcommittee approved eight preseason certified football games: NACDA Kickoff Classic, NACDA Pigskin Classic, Eddie Robinson Classic, BCA Classic, BCA Bowl, Hispanic College Fund Classic, Jim Thorpe Classic and the John Thompson Classic.
- c. **Commercialism in Postseason Football.** The committee received a report regarding proposals to conduct a study of the potential economic impact on the postseason bowl structure if restrictions were implemented on the number of exposures that are provided title sponsors or televising networks.

Subcommittee Chair: Tim Curley, Pennsylvania State University

Staff Liaisons: Dennis Poppe, Baseball and Football

Keith Martin, Finance and Information Services

May 17, 2002

Mr. Terry Daw
Chief Operating Officer
Aloha Sports Inc
Amfac Center – Hawaii Tower
745 Fort Street, Suite 333
Honolulu, Hawaii 96813

Dear Terry:

During its April 29 to May 1 meeting, the NCAA Football Certification Subcommittee reviewed your application to conduct the Aloha Bowl, December 28, 2002, in Honolulu, Hawaii.

This is to inform you that the subcommittee did not certify your application due to the fact it did not meet some of the certification guidelines that had been established prior to the meeting. Specifically, your proposal did not indicate that you had firm commitments from Division I conferences or a televising network. In addition, it was the opinion of the subcommittee that another proposal for a bowl game in Hawaii more adequately met the certification guidelines.

If you have questions, please contact Dennis Poppe in the NCAA national office.

Cordially,

Tim Curley, chair
Football Certification Subcommittee

TC:lat/jlc

cc: Selected NCAA Staff Members

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